101ST CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPORT
101-142

EXEMPTION OF REEMPLOYED ANNUITANTS INVOLVED IN THE 1990 DECENNIAL CENSUS FROM OFFSETS IN PAY AND OTHER BENEFITS

JULY 13, 1989.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. FORD of Michigan, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 1860]

[Including cost estimate of the Congressional Budget Office]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 1860) to provide that a Federal annuitant or former member of a uniformed service who returns to Government service, under a temporary appointment, to assist in carrying out the 1990 decennial census of population shall be exempt from certain provisions of title 5, United States Code, relating to offsets from pay and other benefits, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments (stated in terms of the page and line numbers of the introduced bill) are as follows:

Page 4, after line 14, insert the following:

> (c) For purposes of this section, the term "former member of a uniformed service" means a member or former member of a uniformed service.

Page 5, line 5, strike "Act." and insert "Act, but does not apply with respect to any service performed after December 31, 1990."

EXPLANATION OF COMMITTEE AMENDMENTS

The first committee amendment to H.R. 1860 adds a new subsection (c) to section 3 to clarify the meaning of a term which appears in the section. The second amendment modifies section 5 to further

H623-5.

restrict applicability of the act. The amendments are further explained below under the heading "Committee Action."

PURPOSE

The purpose of this legislation is to provide a means of enlarging the pool of potential applicants for temporary positions with the Census Bureau during the 1990 census by exempting retired military officers and Federal employees from certain provisions of title 5, United States Code, which require offsets from pay or benefits in the event that they are reemployed with the Federal Government.

COMMITTEE ACTION

On April 12, 1989, Mr. Sawyer, for himself, Mr. Ridge and Mr. Chandler, introduced H.R. 1860. The bill was referred to the Committee on Post Office and Civil Service.

On May 23, 1989, the Subcommittee on Census and Population held a hearing on the bill (Serial No. 101–6). The Subcommittee heard testimony from Mr. Charles D. Jones, Associate Director for the Decennial Census, Bureau of the Census; Mr. Gene Dodaro, Associate Director, General Government Division, General Accounting Office; Ms. Judith Park, Legislative Director, National Association of Retired Federal Employees; and Commander John Wanamaker, USN, Retired, Deputy Director for Legislative Affairs, Retired Officers Association.

On July 12, 1989, the Committee on Post Office and Civil Service, by a voice vote, and with a quorum present, ordered H.R. 1860 favorably reported, with two amendments. The first amendment clarifies that the definition of individuals covered under section 3 of the bill includes both members and former members of the uniformed services receiving retired or retainer pay. The second amendment provides that the provisions of the Act do not apply to any service of an individual performed after December 31, 1990.

BACKGROUND

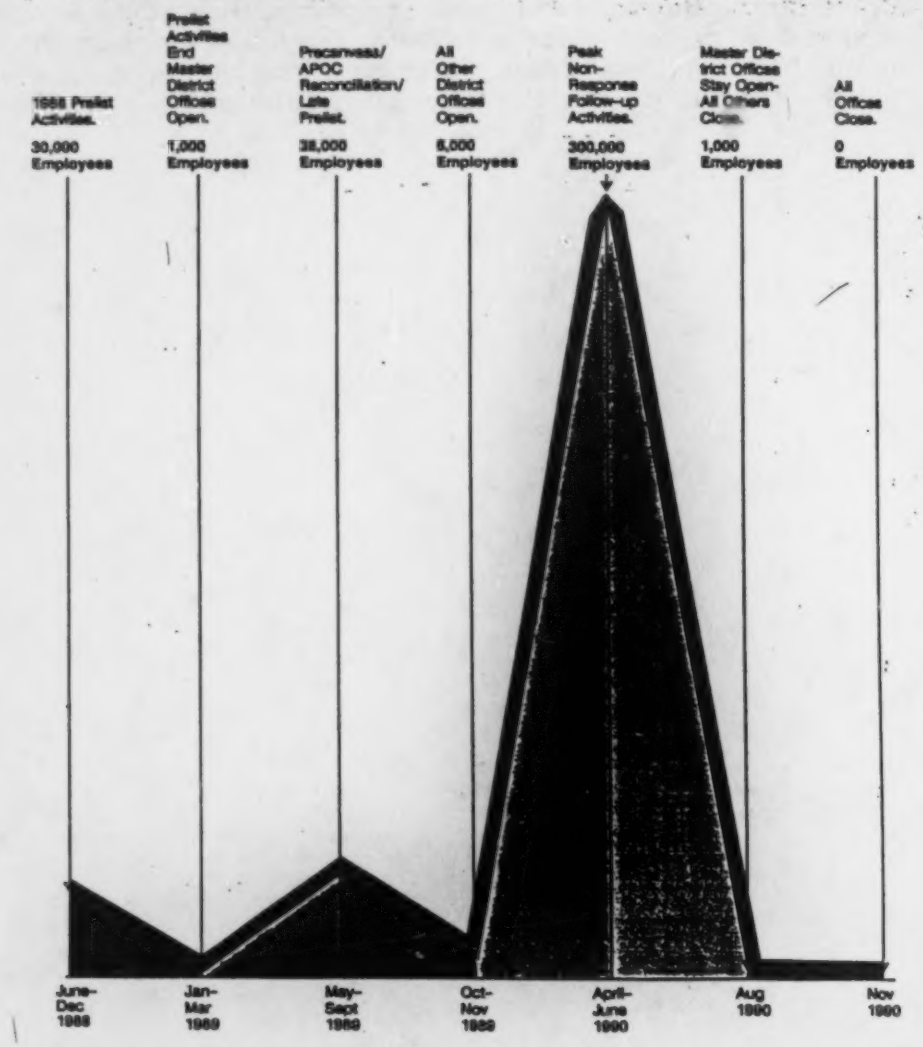
The Bureau of the Census faces the enormous task of recruiting at least 1.6 million temporary employees to conduct the 1990 decennial census. In the past, the Bureau has experienced difficulties in recruiting and retaining an adequate work force.

For example, during peak operations for the 1980 decennial census, up to 30 percent of the census enumerator positions remained vacant. The Bureau also found it necessary to increase pay rates in selected areas in order to have enough staff to complete prelist operations in 1988. During the March 1988 Dress Rehearsal in St. Louis, Missouri, the turnover rate for enumerators was 83 percent.

In testimony before the Subcommittee on Census and Population in September 1988, the General Accounting Office indicated that higher pay alone would not be sufficient to attract the number of qualified applicants needed for the actual census. The GAO recommended that legislation be considered which would provide an incentive for Federal retirees to seek employment with the Census Bureau.

Federal retirees represent a potentially large pool of applicants, numbering approximately 2 million. Retirees have indicated interest in participating in census-taking activities, as evidenced during the 1988 prelist when over 22 percent of the field employees were of retirement age. If only five percent of eligible Federal retirees worked for the Bureau during peak operations, they would account for almost 30 percent of the workforce. The following chart shows the number of retirees residing in areas where pay increases were implemented due to staff shortages during the prelist operations:

Census Staffing Levels



Retired military and civilian employees of the Federal Government face a significant impediment to seeking reemployment with their former employer. Sections 5532, 8344 and 8468, of title 5, United States Code, mandate an offset in compensation or retirement pay upon reemployment. Retired enlisted personnel are affected by the offset only in the event that their combined current pay and retirement pay exceeds the basic pay rate for Executive Schedule Level V, which currently is $75,500. Few retired enlisted personnel would suffer a loss of retirement pay with the relatively small amount of earnings received as a temporary Census Bureau employee. Retired regular officers of the uniformed services who accept Federal employment have their retirement pay reduced based on a formula established in section 5532 of title 5. Civilian retirees who are reemployed by the Federal Government have their Federal salaries reduced by the amount of their annuities.

Three limited exemptions to the retiree offset provisions, granted in the past decade, serve as precedents for the proposed exemption. The first exemption was granted to a limited number of retired military officers by the Office of Personnel Management in connection with the 1980 census. The second exemption, set forth in section 8344(h)(1) of title 5, United States Code, provides incentive for Federal retirees to perform duties in the operation of the air traffic control system. The third exemption authorizes the Immigration and Naturalization Service to employ retired military and civilian employees for up to 18 months in order to assist with the implementation of the Immigration Reform and Control Act of 1986.

STATEMENT

The purpose of H.R. 1860 is to expand the pool of available applicants for employment with the Census Bureau for the purpose of carrying out the 1990 decennial census. The bill provides for a limited exemption from sections 5532, 8344 and 8468, of title 5, United States Code, which refer to reductions in the retirement pay or pay of a reemployed retired military officer or retired Federal employee, in the case of employment in any temporary position with the Census Bureau established for purposes relating to the 1990 decennial census.

A large portion of the temporary workforce needed for the census will serve as enumerators who will visit housing units from which a census questionnaire has not been returned by mail. This followup work is critical in light of the estimated 25 percent of the 106 million households nationwide which will not mail back their census forms. However, these positions are difficult to fill because an enumerator's job is rigorous and demanding and offers relatively low pay and short duration of employment. The Census Bureau's fiscal year 1990 budget request assumes a pay scale of $5.50 to $6 per hour for enumerator positions.

In recognition of the difficulties associated with recruiting the enormous number of employees necessary to carry out the census, the committee believes that this bill is in keeping with the mutal goal of the Congress and the Bureau to ensure an accurate and quality census. Retired military officers and Federal civilian employees, who number approximately 2 million, provide a potentially

valuable resource to the Census Bureau in overcoming its staffing problems. Many such retirees are likely to have available time, to understand the importance of the census, to have access to an automobile, and to know their neighbors and communities well. In addition, as former public servants, Federal civilian and military retirees are familiar with agency procedures and regulations.

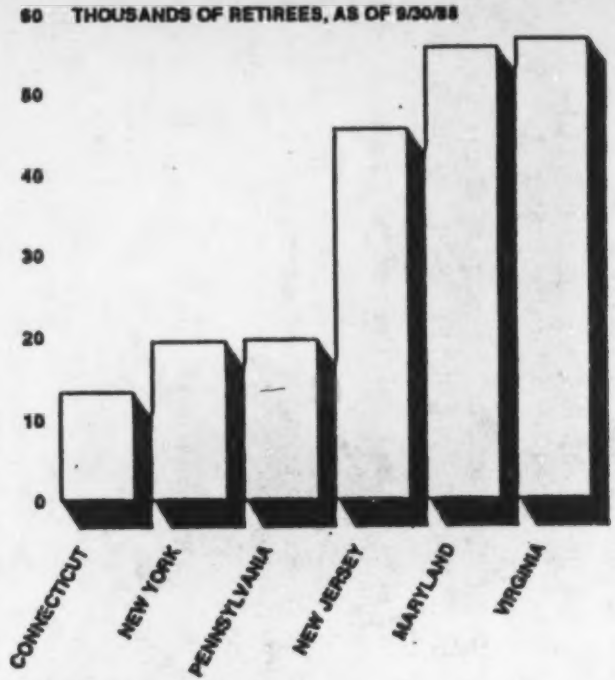
Certain provisions of title 5, United States Code, serve as a disincentive to Federal civilian and military retirees who might otherwise consider employment with the Census Bureau. The offset provisions of section 5532, relating to retired military officers, require that, after a retired military officer receives an initial $7,698.51 in annual retired or retainer pay, $1 is withheld from the additional retired or retainer pay for every $2 earned in wages as a Federal employee. Sections 8344 and 8468, relating to retired Federal civilian employees, require annuitants to take a dollar-for-dollar reduction in pay up to the amount of their retirement annuities. As a consequence, these retirees can reap little or no financial gain by seeking reemployment with the Federal Government.

The committee recognizes that the effectiveness of this legislation rests primarily with the success of the Census Bureau's annuitant recruitment efforts in the coming months and urges the Bureau to take maximum advantage of the legislation. The committee encourages the Bureau to seek out all available promotional avenues, such as enclosures with Office of Personnel Management mailings, as a means of alerting the Federal retiree community of this opportunity for employment.

In addition, the committee supports the General Accounting Office proposal that the Census Bureau establish a system to monitor the number of Federal civilian and military retirees it hires for the 1990 census. This information is needed in light of the fact that no data is available concerning the number of retired military officers who accepted employment as a result of the exemption from offset provisions granted by OPM for the 1980 decennial census.

This legislation allows retirees to work for the Census Bureau for an aggregate period of 6 months without being subject to an offset in pay or annuity. This aggregate period can be served under one or more appointments. The following chart, prepared by the Census Bureau, shows projected hiring levels for the 1990 census. The 6-month limitation is intended to cover primarily the periods of peak operations, including precanvas activities in the fall of 1989 and followup field work in the spring of 1990.

RETIREES LIVING IN OR NEAR PRELIST PAY INCREASE AREAS



Note: Connecticut and New Jersey include all retirees in the state. Other states include only retirees living in or near pay increase areas.

SOURCE: OPM Retirement and Insurance Group and DOD Statistical Report on the Military Retirement System.

The bill, as reported, limits the offset exemption to service performed in a temporary position with the Bureau prior to January 1, 1991. The committee believes that the termination date will afford sufficient access to these retirees since the Bureau will have dismantled the large majority of its temporary operations prior to December 1990.

Section 1. Definitions; description of temporary positions

Section 1 defines certain terms for purposes of the Act and provides that the Act shall apply to service in temporary positions within the Bureau of the Census established for purposes relating to the 1990 decennial census of population (as determined under regulations prescribed by the Secretary of Commerce).

Section 2. Exemption for reemployed annuitants

Section 2 provides an exemption, for up to 6 months of service, from sections 8344 or 8468 of title 5, United States Code, for retired Federal employees, including postal employees, who become employed in a temporary position for the purpose of carrying out the 1990 census. The exemption does not apply to any annuitant who, immediately prior to an appointment in such a temporary position, was employed in a Government position and was subject to pay reduction under section 8344 or 8468.

Subsection (c) of section 2 clarifies that nothing in section 2 shall have the effect of causing a reemployed annuitant to be treated as an active employee for purposes of any provision of chapter 83 or 84 of title 5, United States Code.

Section 3. Exemption for former members of the uniformed services

Section 3 provides an exemption, for up to 6 months of service, from section 5532 of title 5, United States Code, relating to offsets in retired or retainer pay, for former members of the uniformed services who become employed in a temporary position for the purpose of carrying out the 1990 census. The exemption does not apply to any former member of a uniformed service whose retired or retainer pay, immediately prior to an appointment in such a temporary position, was being reduced under section 5532, title 5, United States Code, or would have been reduced but for section 5532(d)(2) of title 5.

Section 4. Limitation

Section 4 limits the exemptions authorized under section 2 or 3 to the first period of 6 calendar months of service performed in a temporary position if the individual serves under only one appointment or to an aggregate of 6 calendar months of service if the individual serves under more than one appointment.

Section 5. Applicability

Section 5 provides that the Act applies with respect to appointments made on or after the date of enactment, but does not apply to any service performed after December 31, 1990.

COST

The cost estimate prepared by the Congressional Budget Office pursuant to sections 308(a) and 403 of the Congressional Budget Act of 1974 is set forth below:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 13, 1989.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 1860, as introduced in the House of Representatives. This bill would allow both civil service and military retirees to work temporarily for the Bureau of the Census on the 1990 decennial census of population and receive their full salary and retirement annuity. CBO estimates that enactment of H.R. 1860 would have no significant budgetary impact.

Under current law, the pay a civil service retiree would receive for working on the Census Bureau report would be reduced by the amount he or she receives as a retirement benefit. According to the Subcommittee on census and Population, most retirees would be hired to work on the census report during the three months of peak activity and would be paid on average $6.50 per hour. Therefore, retirees' pay would be less than their retirement benefit, and they would not receive any compensation for their work. CBO assumes that few, if any, civilian retirees would work on the census report under these restrictions.

This bill would allow civil service retirees to receive pay for their temporary work on the census report. We do not assume that the total salaries paid by the Census Bureau would change. If federal retirees were not hired, the positions would be filled by other people.

In addition, this bill would not have a significant budgetary impact for military retirees who work on the census report. Compensation for military retirees who were not regular officers is restricted so that the total of a military retiree's retired pay plus his civil service salary cannot exceed $75,000 per year. Military retirees most likely to volunteer for the census project would be former enlisted soldiers. It is unlikely that the total of their census earnings and military retired pay would approach this ceiling.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Cathy Ellman (226–2820) and Barbara Hollinshead (226–2840).

Sincerely,

ROBERT D. REISCHAUER,
Director.

OVERSIGHT

Under the rules of the Committee on Post Office and Civil Service, the Subcommittee on Census and Population is vested with legislative and oversight jurisdiction over the subject matter of this legislation. As a result of its hearings, investigations and consider-

ation, the subcommittee concluded that there is ample need and justification for the enactment of this legislation.

The subcommittee received no report of oversight findings or recommendations from the Committee on Government Operations pursuant to clause 4(c)(2) of House Rule X.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of House Rule XI, the committee has concluded that the enactment of H.R. 1860 will have no inflationary impact on the national economy.

ADMINISTRATION VIEWS

Set forth below are the views of the Office of Management and Budget on H.R. 1860:

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 5, 1989.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is in reply to the Committee's request for the views of this Office on H.R. 1860, "To provide that a Federal annuitant or former member of a uniformed service who returns to Government service, under a temporary appointment, to assist in carrying out the 1990 decennial census of population shall be exempt from certain provisions of title 5, United States Code, relating to offsets from pay and other benefits."

The purpose of the bill is to permit Federal civilian and military retirees who are temporarily employed for up to 180 days to assist with the 1990 census to receive their full civilian or military pensions along with unreduced pay for their Census jobs. Under the bill, the offsets from pay or annuity that otherwise would be required by the dual compensation provisions of title 5, United States Code, would not apply to such reemployed annuitants.

In testimony before your Committee on May 23, 1989, the Bureau of the Census stated its reasons for recommending enactment of H.R. 1860.

The Office of Management and Budget concurs in the views expressed by the Bureau of the Census and, accordingly, has no objection to enactment of H.R. 1860.

Sincerely,

JAMES C. MURR,
Assistant Director for Legislative Reference.

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